### KANSAS ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS



Kansas is the proud home of the Southwest Kansas Clean Cities Coalition.

#### **Overview**

The State of Kansas offers a state tax credit to fleets of 10 or more vehicles for conversions or purchases of alternative fuel vehicles (AFVs). The Kansas Corporation Commission offers grants of up to \$1,500 per vehicle for conversion or purchase of a compressed natural gas (CNG) vehicle.

## **Highlights**

- \$ Up to \$1,500 per vehicle from the Kansas Corporation Commission for CNG vehicle purchases or conversions
- \$ Up to \$2,500 state income tax credit of 50% of cost for converting vehicles to qualified AFVs, or up to \$750 state income tax credit for purchasing factory equipped AFVs for purchases or conversions after January 1, 1996

#### State Incentives

- \$ The Kansas Corporation Commission operates a CNG fuel conversion grant program. The program offers grants of up to \$1,500 per vehicle for converting a vehicle to CNG, or the purchase of a factory-equipped CNG vehicle. Vehicles must be daily-use delivery or service non-auto (pickups, trucks, vans, station wagons) vehicles. The program is open to the public and private sector in the three major metropolitan areas of the state. The program was funded with \$128,000 in oil-overcharge funds, and the conversion grants will be offered until the money runs out. For more information, contact Otto Sitz at (913) 271-3117.
- \$ The State of Kansas offers income tax credits for qualified AFVs, conversion equipment, and refueling property purchased after January 1, 1996. The tax credit is available to anyone who operates a fleet of 10 or more vehicles, with an average fuel consumption of at least 2,000 gallons per year. The tax credit is for 50% of the total amount expended, with a \$2,500 maximum tax credit per vehicle. After January 1, 1999, the tax credit will drop to 40% with a \$2,000 per vehicle limit. For factory equipped AFVs, the tax credit is the lesser of 5% of the cost of the vehicle or \$750. For more information, contact Otto Sitz at (913) 271-3117.

## Utility/Private Incentives

<u>Kansas Power and Light</u> provides natural gas for two public CNG refueling stations. For more information, contact Delbert Boozer at (913) 575-1980.

<u>The National Ethanol Vehicle Coalition (NEVC)</u> is part of a joint public/private partnership to promote 85% ethanol (E85) as an alternative transportation fuel. Through a pilot grant from the U.S. Department of Energy, NEVC provides forgivable loans for the installation of public E85 refueling facilities. For additional information, contact Phil Lambert at (314) 635-8445.

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### Laws & Regulations

A 14¢/gasoline gallon equivalent (gge) tax, compared to a 15¢/gallon tax on gasoline, is available for CNG and propane fuels.

Executive Order 92-152 requires state agencies to use alternative fuels in their vehicle fleets when cost-effective.

State fleets in the Kansas City and Wichita areas are required by Section 1 of House Bill 95-2161 to have a certain percentage of their light-duty vehicles weighing less than 8,500 lbs. to be alternative fueled:

10% acquired in model year 1996

20% acquired in model year 1997

30% acquired in model year 1998

25% acquired in model year 1999

75% acquired in model year 2000 and beyond.

Sections 2 through 5 of House Bill 95-2161 establish an alternative fuels loan program to assist government agencies in purchasing new AFVs. However, no funds have been allocated for this program.

Kansas ethanol producers are eligible for payments of up to 20¢/gallon produced. This program is expected to end in 1996.

Senate Bill 799 (1994) establishes an alternative fuel commission to coordinate, identify, and make recommendations regarding alternative fuels and their use in the state.

#### **Points of Contact**

Southwest Kansas Clean Cities Coordinator		U.S. Department of Transportation Contacts	
Julie Tubbs Stevens County Economic Development Office	(316) 544-4440	<b>Federal Highway Administration</b> Region <i>7</i> Dan Wheeler	(816) 276-2750
Kansas State Energy Office			(0.0, 0.00
Kansas Corporation Commission Otto Sitz	(913) 271-3117	Federal Transit Administration Region 7 Joan Roeseler	(816) 523-0204
Kansas Power and Light		Joan Neesele.	(0.0,020.020.
Delbert Boozer	(913) 575-1980	General Services Administration Regional Fleet Manager	
National Ethanol Vehicle Coalition		Region 6	
Phil Lambert	(314) 635-8445	Ed Hodges	(816) 823-3620
Kansas State Transportation Contact Department of Transportation Dennis Slimmer	(913) 296-2252	U.S. Environmental Protection Agency Regional Pollution Prevention Coordinators Region 7	
		Steve Wurtz	(913) 551-7315
<b>U.S. Department of Energy Regional Support Offices</b> Kansas City Regional Support Office Benjamin Watson	(816) 426-4770	Sara Jones	(913) 551-7186
Denver Regional Support Office Laura Adducci	(303) 231-5570 extension 155		

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